

THE EGREMONT GROUP LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2005

REGISTRAR OF COMPANIES

Company No: 4246721

PETER EDNEY & CO
Chartered Accountants
95 Station Road
Hampton
Middlesex
TW12 2BD



THE EGREMONT GROUP LIMITED

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THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors present their report and the accounts for the year ended 31 March 2005.

Principal activity and review of the business

The principal activity of the company is management consultancy.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares 31/03/05	Ordinary shares 01/04/04
S M Grist	50	50
S Connolly	50	50
P J Jarvis	50	50
P.Jarvis resigned as a director in May 2005		-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Peter Edney & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

The directors recommend that Peter Edney & Co remain in office until further notice.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board in December 2005 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'S M GRIST', is written over the printed name.

S M GRIST
COMPANY SECRETARY

AUDITORS' REPORT TO THE EGREMONT GROUP LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 11 together with the financial statements of The Egremont Group Limited for the year ended 31 March 2005 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 2005, and the abbreviated accounts on pages 5 to 11 are properly prepared in accordance with that provision.

We have audited the financial statements of The Egremont Group Limited for the year ended 31 March 2005 which comprise the profit and loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' are responsible for preparing the Annual Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**AUDITORS' REPORT TO THE EGREMONT GROUP LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

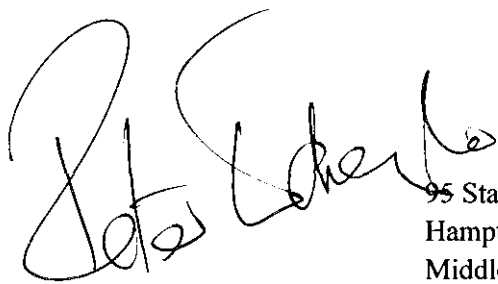
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the

PETER EDNEY & CO
Chartered Accountants and
Registered Auditors
December 2005



95 Station Road
Hampton
Middlesex
TW12 2BD

THE EGREMONT GROUP LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**

YEAR ENDED 31 MARCH 2005

		2005	2004
	Notes	£	£
TURNOVER		1,694,492	3,448,786
Cost of sales		(945,929)	(1,434,789)
GROSS PROFIT		748,563	2,013,997
Administrative expenses		(870,941)	(1,745,917)
OPERATING LOSS	2	(122,378)	268,080
Other interest receivable and similar income		34,949	32,629
ON ORDINARY ACTIVITIES BEFORE TAXATION		(87,429)	300,709
Tax on on ordinary activities	7	14,730	(55,920)
NET LOSS FOR THE YEAR		(72,699)	244,789
Retained profit brought forward		487,181	242,392
RETAINED PROFIT CARRIED FORWARD		414,482	487,181

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 11 form an integral part of these financial statements.

THE EGREMONT GROUP LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2005

	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		35,528		27,037
CURRENT ASSETS					
Debtors	9	488,604		388,431	
Cash at bank and in hand		300,000		1,195,473	
		<u>788,604</u>		<u>1,583,904</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(409,500)</u>		<u>(1,123,610)</u>	
NET CURRENT ASSETS			<u>379,104</u>		<u>460,294</u>
NET ASSETS			<u>414,632</u>		<u>487,331</u>
CAPITAL AND RESERVES					
Called up share capital	11		150		150
Profit and loss account			<u>414,482</u>		<u>487,181</u>
EQUITY SHAREHOLDERS' FUNDS	12		<u>414,632</u>		<u>487,331</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board in December 2005 and signed on its behalf by


S M GRIST
 Director

The notes on pages 8 to 11 form an integral part of these financial statements.

THE EGREMONT GROUP LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2005

	2005		2004	
	£	£	£	£
CASH GENERATED FROM OPERATIONS				
OPERATING	(122,378)		268,080	
Reconciliation to cash generated from operations:				
Depreciation	19,213		11,604	
(Increase) in trade debtors	(12,110)		339,368	
(Increase) in other debtors	(72,319)		(41,864)	
(Decrease) in trade creditors	(12,741)		(37,003)	
(Decrease) in other creditors	(696,126)		(93,139)	
		(896,461)		447,046
CASH FROM OTHER SOURCES				
Interest received	34,949		32,629	
		34,949		32,629
APPLICATION OF CASH				
Tax paid	-		(56,999)	
Purchase of tangible fixed assets	(27,704)		(30,608)	
		(27,704)		(87,607)
NET DECREASE IN CASH IN THE YEAR		(889,216)		392,068
Cash at bank and in hand less overdrafts at beginning of year		1,195,473		803,405
Cash at bank and in hand less overdrafts at end of year		306,257		1,195,473
Consisting of:				
Cash at bank and in hand		300,000		1,195,473
Overdrafts		(50,677)		-
		249,323		1,195,473

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

1.1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention .

1.2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer Equipment	-	33% straight line
Fixtures, fittings and equipment	-	25% straight line

1.4. PENSIONS

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. OPERATING LOSS

	2005	2004
	£	£
Operating is stated after charging:		
Depreciation and other amounts written off tangible assets	19,213	11,604
Auditors' remuneration	2,500	2,500

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£	£
Bank interest	34,949	32,629

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

4. EMPLOYEES

NUMBER OF EMPLOYEES

The average monthly numbers of employees
(including the directors) during the year were:

2005	2004
12	13

EMPLOYMENT COSTS

2005	2004
£	£

Wages and salaries	1,069,471	1,766,276
Social security costs	56,242	135,616
Other pension costs	47,468	80,055
	<u>1,173,181</u>	<u>1,981,947</u>

5. DIRECTORS' EMOLUMENTS

2005	2004
£	£

Remuneration and other emoluments	438,012	1,078,025
Pension contributions	45,900	79,200
	<u>483,912</u>	<u>1,157,225</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £47,468.

7. TAXATION

2005	2004
£	£

UK corporation tax	<u>(14,730)</u>	<u>55,920</u>
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THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

8. TANGIBLE FIXED ASSETS	FIXTURES, COMPUTER FITTINGS AND EQUIPMENT EQUIPMENT		TOTAL
	£	£	£
COST			
At 1 April 2004	13,510	28,500	42,010
Additions	7,897	19,807	27,704
At 31 March 2005	21,407	48,307	69,714
DEPRECIATION			
At 1 April 2004	6,552	8,421	14,973
Charge for the year	7,136	12,077	19,213
At 31 March 2005	13,688	20,498	34,186
NET BOOK VALUES			
At 31 March 2005	7,719	27,809	35,528
At 31 March 2004	6,958	20,079	27,037

9. DEBTORS	2005	2004
	£	£
Trade debtors	339,402	327,292
Other debtors	15,744	-
Prepayments and accrued income	133,458	61,139
	488,604	388,431

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004
	£	£
Bank overdraft	50,677	-
Trade creditors	59,872	72,613
Corporation tax	-	55,920
Other taxes and social security costs	32,692	101,861
Directors' accounts	161,893	430,999
Accruals	104,366	462,217
	409,500	1,123,610

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

11.	SHARE CAPITAL	2005	2004	
		£	£	
	ALLOTTED, CALLED UP AND FULLY PAID EQUITY			
	150 Ordinary shares of 1 each	150	150	
12.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2005	2004	
		£	£	
	for the year	(72,699)	244,789	
	Opening shareholders' funds	487,331	242,542	
	Closing shareholders' funds	414,632	487,331	
13.	GROSS CASH FLOWS	2005	2004	
		£	£	
	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
	Interest received	34,949	32,629	
	TAXATION			
	Corporation tax paid	-	(56,999)	
	CAPITAL EXPENDITURE			
	Payments to acquire tangible assets	(27,704)	(30,608)	
14.	ANALYSIS OF CHANGES IN NET FUNDS			
		OPENING BALANC	CASH FLOWS	CLOSING BALANCE
		£	£	£
	Cash at bank and in hand	1,195,473	(895,473)	300,000
	Overdrafts	-	(50,677)	(50,677)
		1,195,473	(946,150)	249,323
	NET FUNDS	1,195,473	(946,150)	249,323